

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 964 - SB 1327

March 12, 2021

SUMMARY OF BILL: Removes a prohibition limiting the ability of the Tennessee Emergency Communications Board (TECB) to reduce the base amount of state funding allocated to Emergency Communications Districts (ECDs) only when the applicable local government decreases the amount of local funding provided to the ECD.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-86-128 and § 7-86-303:
 - Revenues derived from the assessment of the 911 surcharge are used to support the long-term solvency and operations of ECDs;
 - The TECB annually distributes a base amount of funding to each ECD which is equal to the average of total revenue the ECD received from distributions in FY09-10, FY10-11, and FY11-12;
 - The TECB may withhold distribution of the surcharge to an ECD if: (1) the ECD is operating in, or fails to correct a specific violation of law, or (2) the ECD is not taking sufficient actions to establish, maintain, or advance E-911 service to the citizens of the ECD; and
 - The TECB may not reduce the base amount of funding for any ECD unless the local governing funding the ECD is reduced, in which case the TECB may reduce the base amount by the same amount as the local funding reduction.
- Based on information provided by the TECB:
 - The current statutory language has been utilized by the TECB to require local governments to establish a maintenance of effort for funding ECDs under threat of a decrease in state funding; and
 - Removal of the current statutory provision will remove the TECB's ability to reduce base funding to ECDs.
- The proposed language may result in instances where local governments reduce funding which is provided to ECDs, with such local governments utilizing such funding for other local government purposes.
- While the extent and timing of any decrease in local revenue received by ECDs and any equal, corresponding decrease in local expenditures experienced by the applicable local government cannot reasonably be determined, due to the fact that the overall amount of

funds within local government statewide is not being altered, the net fiscal impact to local government is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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